



# Clark County Development News

Clark County Community Development

2006 Fourth Quarter



Richard H. Carson  
director

Welcome to 2007 and to the "Clark County Development News". This quarterly report will provide information about current development trends and will feature some of Clark County's most knowledgeable development stakeholders that have a unique understanding of our local market. For our first edition, Mike Worthy, President and Chief Executive Officer of the Bank of Clark County, gives us his assessment of the development industry today in Clark County.

## **Battle Ground Permit Center**

Our newly expanded permit center, located at 1808 SW Ninth Ave., Battle Ground, is a full-service alternative to our downtown location. You can apply for or pick up a building permit, make land use or engineering applications, apply for environmental permits, apply for or renew pet licenses, obtain informational handouts or just ask questions. The office offers free parking and an easy commute to make our services more accessible to residents and people doing business here. We estimate that nearly 60 percent of new home building permits are issued to production builders who are as close or closer to southern Battle Ground than downtown Vancouver. Permit technicians, building plans examiners and a receptionist/cashier are available to assist you from 8:30 a.m. to 4:30 p.m. with the exception of Wednesdays when the office opens at 1 p.m.

## **Permit Services Improvements**

Citygate and Associates has completed a review of our Permit Services Division and have made several recommendations to improve our permit process. Three of the recommendations are already underway, including cross-training our permit technicians on land use, engineering and building services, making personal contact within minutes of a customer's arrival and establishing a Continual Improvement Team.

## **Development Engineering Advisory Board**

The Board of Clark County Commissioners formed a seven-member Development Engineering Advisory Board to serve as a procedural step in reviewing new policy and code changes and to work with Community Development Engineering Services on issues related to process improvements and technical engineering. Preliminary goals of the advisory board include achieving department-wide consistency, improving efficiency of the review process, and project specific technical resolution. The current board members are Tim Schauer with MacKay-Sposito, Inc. (chair), Greg Jellison of Hopper, Dennis, Jellison (vice-chair), Jerry Nutter of Nutter Corporation, Greg Westrand with Hagedorn, Inc., David Commeree with New Tradition Homes, Scott Sawyer with Washougal's Public Works Department, and Steve Madsen with the Building Industry Association of Clark County. Advisory board meetings, held on the first and third

*Continued on page 6*

## **Inside**

Guest Contributor  
Market Action  
In-migration  
Development Activity  
Construction  
Valuations  
Land Division Lots  
Major Projects  
Other News Resources

**Guest contributor**

Mike Worthy,  
president and chief  
executive officer  
Bank of Clark County

**Another good year in 2007**

Congratulations to Clark County Community Development on this great new resource the "Development News". So many people rely on this kind of data to make informed business and personal investment decisions. At Bank of Clark County, we are particularly interested in information such as this, as we have a financial interest in 195 construction and development projects throughout the northwest, the majority in Clark County. I'm pleased to offer our perspective on today's market.

**Slower than 2006.**

People say things have "slowed down". That is true relative to 2005 in most statistical measures; sales of existing homes, new home construction and sales of building lots. But relative to 2004 the business is still strong and prices are up. Commercial projects were up significantly in 2006 over 2005, suggesting that commercial services are stepping up to keep pace with population and residential growth.

**Did we overbuild in 2005? Just a little.**

No doubt that 2005 was a sellers' market. 2006 has slowed down, but that is logical considering the number of homes available in late 2005 and early 2006. In most communities an inventory of homes for sale that will last about six months is "normal". We are just now a little beyond that point at approximately seven months inventory.

**When do we get nervous?**

Considering the number of projects we are involved in you might think we would be nervous about a slowdown. The good news is that values are holding up. Given the laws of supply and demand, a higher supply and consistent demand suggests that prices might fall. So far, the sales values are holding up. As long as sellers are positioned to hold their properties for sale at least six months, and the prices are in the market range for comparable sized homes in similar neighborhoods, we can stay calm.

**Watch the big ones.**

The place to keep your pencil a little sharper is the big ticket homes...call that anything over \$600,000. There are plenty of buyers out there, but they generally have the resources to get just what they want. If what you are selling has any quirks you can be holding it for a lot longer than you might like.

**In general.**

We are expecting 2007 to be another good year in the residential real estate markets. The commercial market might be even better. Thanks to Clark County for helping us be a little smarter with this new tool the Development News!

## Market Action

The December 2006 RMLS "Market Action" report brought goods news when comparing 2006 to 2005. The average year-to-date wait time on the market for Portland Metro area in 2006 was 43 days. That is equal to the wait time in 2005. New listings were up from 48,520 to 55,322 (up 14%) and the average sales price went from \$282,900 to \$322,600 (up 14%).

The comparative statistics for just the month of December weren't as rosy. The December wait time was 55 days for 2006 and 41 for 2005 (up 34%). However, new listing were up from 2,169 to 2,359 (up 8%) and average sales prices for December were up from \$296,700 in 2005 to \$324,900 in 2006 (up 10%).

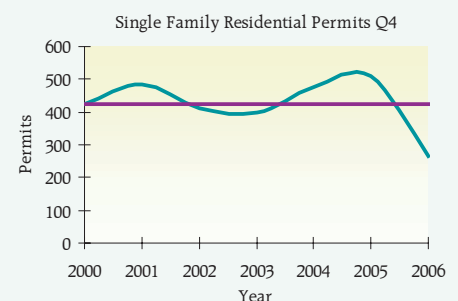
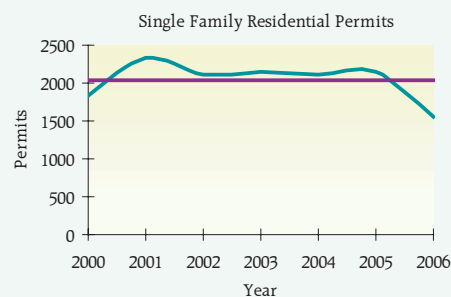
## In-migration

Washington State's Department of Licensing shows that 16,081 people moved into the county and got a driver's license in 2006. This is up four percent over the 2005 total of 15,438. Of these, nearly 46 percent came from Oregon (7,167), 19 percent from California (2,905), and three percent from Arizona (507).

## Development Activity

In 2006, permits for single-family residences reached their lowest level since 1988, totaling only 1,551. This represents a 27 percent reduction from 2005 when 2,142 permits were issued.

The fourth quarter of 2006 also showed a reduction in the number of single-family permits issued, falling to its lowest level since 1987 and nearly 50 percent from 2005.



New single-family construction



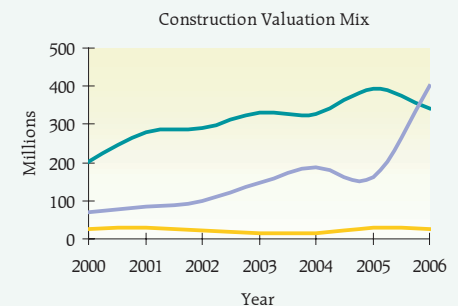
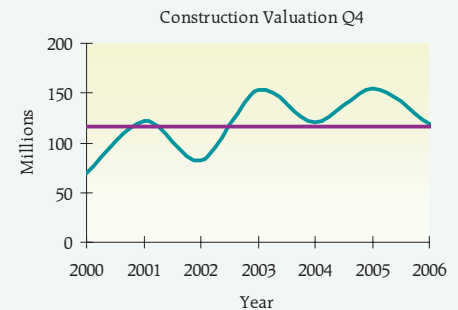
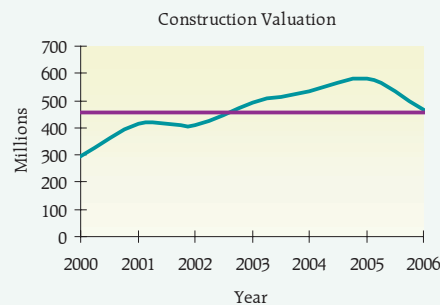
## Construction Valuations

In 2006, construction valuation totaled \$469 million, marking its lowest level since 2002. This represents a drop of 20 percent from 2005, when valuation totaled \$583 million.

This drop is also seen in the fourth quarter performance. Fourth quarter valuation in 2006 was down 23 percent when compared to 2005, and is at its lowest level since 2002.

Construction valuation for commercial projects increased significantly in 2006 totaling \$400 million. This represents 52 percent of the total valuation in 2006 and a 150 percent increase over the 2005 total of \$160 million.

Residential construction valuation has remained steady over the last four years ranging from \$331 to \$343 million. In 2006, residential valuation totaled \$343 million, dropping 13 percent from 2005.



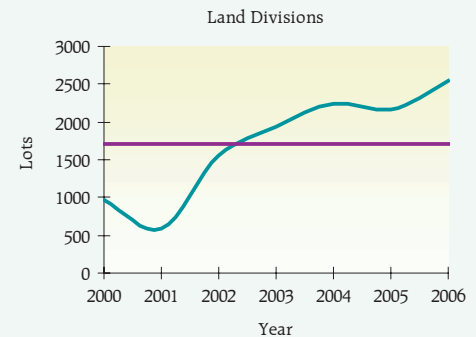
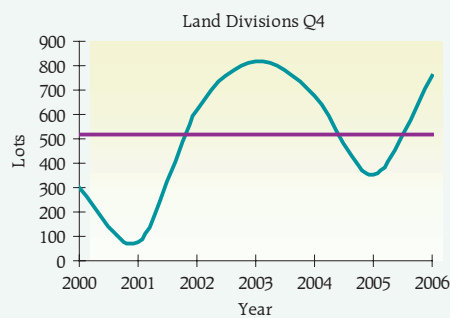
Best Buy and Bed, Bath and Beyond  
in Hazel Dell Towne Center



## Land Division Lots

There were 2,535 lots created through land divisions in 2006, the most since 1995. In 2005, there were 17 percent fewer divisions at 2,173.

Fourth quarter lots created through land divisions increased significantly in 2006, totaling 760. This represents a 115 percent increase from 2005 when land divisions totaled only 353.



Development Activity 2000-2006			
Year	Single Family Residence Permits	All Construction Valuation (mil.)	Lots Created
2006	1551	469	2535
2005	2142	583	2173
2004	2106	533	2241
2003	2157	491	1941
2002	2112	412	1558
2001	2329	417	592
2000	1825	295	972



LA Fitness in Hazel Dell

## Major projects underway in 2006

### Commercial

- Padden Parkway Business Park – 376,750 sq. ft. industrial/warehouse business park
- Salmon Creek Commercial Center Appeal – 176,672 sq. ft. discount retail
- Bria property – 55.71 acres of miscellaneous commercial

### Residential

- Cougar Creek Villas – 167 single-family lots

## Other news you can use

- [Urban holding update](#)
- [Comprehensive Plan update](#)
- [Salmon Creek development moratorium](#)
- [Clark County development trends](#)



Kaiser Permanente - Orchards

*continued from page 1*

Thursday of each month at 2:30 p.m. in the Clark County Public Service Center, 1300 Franklin St., Vancouver, are open to the public.

We hope you find the new Clark County Development News helpful and are always open to suggestions on how to improve it.

### Clark County Community Development

Public Service Center  
1300 Franklin St.  
First and Third Floors  
Vancouver, Washington  
(360) 397-2375

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[commdev@clark.wa.gov](mailto:commdev@clark.wa.gov)

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For an alternate format,  
contact the Clark County  
ADA Compliance Office.  
Phone: (360) 397-2025  
TTY: (360) 397-2445  
E-mail: [ADA@clark.wa.gov](mailto:ADA@clark.wa.gov)